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SENATE BILL 1040

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Carroll H. Leavell

AN ACT

RELATING TO LONG-TERM CARE INSURANCE; ALLOWING THE MEDICAL ASSISTANCE DIVISION OF THE HUMAN SERVICES DEPARTMENT AND THE INSURANCE DIVISION OF THE PUBLIC REGULATION COMMISSION TO ESTABLISH A LONG-TERM CARE INSURANCE PARTNERSHIP PROGRAM

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Public Assistance Act is enacted to read:

"~~[NEW MATERIAL]~~ LONG-TERM CARE INSURANCE PARTNERSHIP PROGRAM -- The medical assistance division of the department:

A. shall provide medicaid coverage under a long-term program that allows asset disregard and protection to a person receiving long-term care services;

B. shall promulgate rules, in consultation with the superintendent of insurance, to allow for asset disregard and

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 protection of persons that purchase a policy under a long-term
2 partnership program pursuant to the provisions of this 2005
3 act; provided that the department shall count insurance
4 benefits paid under the policy toward asset disregard to the
5 extent the payments are for covered services under the long-
6 term care partnership program policy;

7 C. shall coordinate with the insurance division of
8 the public regulation commission to provide information to the
9 general public and counseling services to individuals planning
10 for long-term care needs;

11 D. shall submit a request to the federal department
12 of health and human services for a waiver, if needed, and
13 amendments to the state medicaid plan to allow for asset
14 disregard and protection of persons that purchase a policy
15 under a long-term care insurance partnership program pursuant
16 to this 2005 act; and

17 E. may enter into reciprocal agreements with other
18 states to extend asset disregard to residents of the state that
19 purchase long-term care policies in another state that has a
20 substantially similar asset disregard program "

21 Section 2. A new section of the Long-Term Care Insurance
22 Law is enacted to read:

23 " [NEW MATERIAL] LONG-TERM CARE INSURANCE PARTNERSHIP
24 PROGRAM -- The insurance division:

25 A. shall promulgate rules, in consultation with the

. 155929. 1

underscored material = new
[bracketed material] = delete

1 secretary of human services, that provide minimum standards for
2 a policy under the long-term care insurance partnership program
3 pursuant to Section 1 of this 2005 act, which standards shall
4 include:

- 5 (1) a residential health care facility
6 benefit;
- 7 (2) a home care benefit with personal care,
8 nursing care, adult health care and respite care services;
- 9 (3) year-round coverage;
- 10 (4) an option for coverage equivalent to a
11 two-year maximum benefit duration;
- 12 (5) arrangements through the insurance plan
13 for case management, including preauthorized assessment and
14 referral programs, utilization controls and use of approved
15 providers;
- 16 (6) an inflation-protection benefit;
- 17 (7) consumer and public information;
- 18 (8) record keeping and explanation of benefits
19 reports on insurance payments that count toward the asset
20 disregard; and
- 21 (9) management information and reports
22 necessary to document the extent of asset protection offered
23 and to evaluate the long-term care partnership program's
24 effectiveness;

25 B. may establish permissible payments under a long-

underscored material = new
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1 term care partnership program policy; provided, however, that a
2 policy shall not contain an exclusion for preexisting
3 conditions that exceeds six months; and

4 C. may enter into reciprocal agreements with other
5 states to extend asset disregard to residents of the state that
6 purchase long-term care policies in another state that has a
7 substantially similar asset disregard program "

8 Section 3. EFFECTIVE DATE. --The effective date of the
9 provisions of this act is sixty days after the date of repeal
10 of the restrictions to asset protection contained in the
11 federal Omnibus Budget Reconciliation Act of 1993.